

## Message Text

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ACTION AID-59

INFO OCT-01 EA-06 ISO-00 IGA-01 EB-04 OES-03 RSC-01 /075 W

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R 230110Z OCT 74

FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC 8206

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E.O. 11652: N/A

TAGS: SPOP MY

SUBJECT: REQUEST FOR STATE AND AID/W REVIEW OF AID-SUP-  
PORTED POPULATION PLANNING PROGRAMS IN MALAYSIA

REF: (A) STATE 207536, (B) STATE 228122

1. REF B REFERS TO POTENTIAL WORLDWIDE SHORTAGE OF CON-  
TRACEPTIVE MATERIALS AND REQUESTS EMBASSY APPRAISAL OF  
IPPF AFFILIATE ACTIVITIES.

2. DURING COURSE OF OCTOBER AID/W CONTRACTORS (REF A)  
VISIT TO KUALA LUMPUR TO EVALUATE AID-FINANCED UNIVERSITY  
OF MICHIGAN POPULATION PLANNING PROJECTS IN MALAYSIA --  
FAMILY PLANNING PROGRAM EVALUATION (UM 71-3), AND USE  
OF TRADITIONAL VILLAGE MIDWIVES FOR FAMILY PLANNING  
PROGRAM (UM 71-6), IT BECAME APPARENT THAT AID IS CON-  
SIDERING EXPANDING THESE PROJECTS AND/OR FUNDING ADDI-  
TIONAL SUCH PROJECTS IN MALAYSIA.

3. BASED ON EMBASSY OBSERVATIONS AND ON RECENT DIS-  
CUSSIONS WITH UNDP OFFICIALS AND OTHERS INVOLVED IN  
MALAYSIAN POPULATION PLANNING PROGRAM (ATTENDED BY  
AID/W CONTRACTOR TEAM), WE BELIEVE THAT ADDITIONAL  
USG POPULATION PLANNING SUPPORT SHOULD NOT RPT NOT BE  
EXTENDED TO MALAYSIA. WE ALSO RAISE QUESTION OF  
WHETHER USG FUNDS FOR EXISTING POPULATION PLANNING  
PROGRAMS IN MALAYSIA WOULD PRODUCE GREATER RETURNS  
IN OTHER COUNTRIES WHERE THE NEED IS MORE PRESSING

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AND RESOURCES FEWER. THE FOLLOWING PRINCIPAL FACTORS

SUPPORT THESE VIEWS:

A. LACK OF STRONG GOM COMMITMENT. IN OUR VIEW THE FEDERAL GOVT IS NOT STRONGLY COMMITTED TO FAMILY PLANNING IN MALAYSIA. GOM DECISIONS IN ALL AREAS INCLUDED FAMILY PLANNING ARE WITHOUT EXCEPTION INFLUENCED BY RACIAL CONSIDERATIONS IN THIS MULTI-RACIAL SOCIETY OF APPROXIMATELY 44 PERCENT INDIGENOUS MALAYS; 36 PERCENT CHINESE; 10 PERCENT INDIAN, AND 10 PERCENT OTHERS INCLUDING ABORIGINES. UMNO (UNITED MALAYS NATIONAL ORGANIZATION), THE DOMINANT AND RULING POLITICAL PARTY, DRAWS ITS SUPPORT AND STRENGTH FROM INDIGENOUS MALAYS WHO RESIDE MOSTLY IN THE TRADITIONALLY CONSERVATIVE RURAL AREAS. WHILE MANY UMNO POLITICIANS DO SUPPORT A LOW-PROFILE FAMILY PLANNING PROGRAM EMPHASIZING HEALTH ASPECTS, THEY OPPOSE A MORE VISIBLE PROGRAM PRIMARILY FROM FEAR THAT THE BIRTH RATE AMONG OTHER RACES IS GREATER THAN THAT OF MALAYS, THUS NONMALAYS MIGHT EVENTUALLY OUTNUMBER MALAYS. THE PRE-EMINENT POLITICAL POSITION OF UMNO WOULD THEREBY BE THREATENED AND POSSIBLY DESTROYED. (NONMALAYS, FOR THEIR PART, FEAR MALAYS ARE THE MOST PROLIFIC GROUP.)

B. LACK OF URGENT NEED. UNLIKE MANY DEVELOPING COUNTRIES, MALAYSIA HAS A RELATIVELY SMALL POPULATION AND SUBSTANTIAL AMOUNTS OF RESOURCES, INCLUDING UNUSED CULTIVABLE LAND, WHICH IS BEING BROUGHT INTO PRODUCTION IN SUPPORT OF A MODERATELY EXPANDING POPULATION. ACCORDING TO THE 1970 CENSUS, MALAYSIA'S POPULATION STOOD AT 10,810,000 IN A COUNTRY OF 128,553 SQUARE MILES. NEW LANDS ARE BEING BROUGHT INTO AGRICULTURAL PRODUCTION ON A MASSIVE SCALE. UNDER THE SECOND MALAYSIA PLAN 1971-75 THE GOM HAS TARGETTED ONE MILLION NEW ACRES FOR DEVELOPMENT AT A COST OF US DOLS 500,000,000, THE LARGEST SINGLE DEVELOPMENT EXPENDITURE. THESE ARE VIRGIN LANDS, USUALLY JUNGLES, WHICH ARE CLEARED, PLANTED IN RICE OR A CASH EXPORT CROP SUCH AS RUBBER, PALM OIL AND COCOA AND SETTLED BY LANDLESS FARMERS. A NEW SINGLE LAND DEVELOPMENT PROJECT, PAHANG TENGGARA, WHICH WILL CARRY OVER INTO THE THIRD DEVELOPMENT PLAN 1976-80, TOTALS LIMITED OFFICIAL USE

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2.5 MILLION ACRES. THE FACT IS THAT MALAYSIA IS BLESSED WITH ADEQUATE RESOURCES TO FEED, CLOTHE, AND HOUSE A MODERATELY EXPANDING POPULATION.

C. MORE EXTERNAL ASSISTANCE THAN CAN BE ABSORBED. WE ESTIMATE THAT MALAYSIA CURRENTLY RECEIVES ABOUT US DOLS 1,000,000 PER YEAR FOR POPULATION PLANNING FROM OUTSIDE SOURCES SUCH AS THE INTERNATIONAL PLANNED PARENTHOOD

FEDERATION (IPPF), OTHER AID-SUPPORTED PROGRAMS, COLOMBO PLAN, IGCC, ASIA FOUNDATION, FORD FOUNDATION, IBRD, UNDP, AND INDIVIDUAL COUNTRIES. WE HAVE BEEN TOLD ON A CONFIDENTIAL BASIS BY PERSONS WORKING ON POPULATION PLANNING THAT THE GOM RECEIVES MORE EXTERNAL TECHNICAL AND MONETARY ASSISTANCE THAN THEY CAN OR WANT TO UTILIZE. AS AN EXAMPLE, THE GOM RECEIVED A US DOLS 5,000,000 LOAN IN 1973 FROM IBRD FOR POPULATION PLANNING. WE UNDERSTAND THAT THE GOM AGREED TO ACCEPT THE IBRD LOAN BECAUSE THE WORLD BANK REQUIRES DEVELOPING COUNTRIES TO HAVE A POPULATION PLANNING PROGRAM TO BE ELIGIBLE FOR IBRD LOANS, AND THE GOM RELIES HEAVILY ON WORLD BANK FINANCING, ESPECIALLY FOR LAND DEVELOPMENT PROJECTS. TO DATE NONE OF THE FUNDS HAVE BEEN DRAWN DOWN AND THE GOM APPARENTLY DOES NOT HAVE ANY PRESENT PLANS TO USE THE MONEY. ADDITIONALLY, ALL FAMILY PLANNING PROGRAMS ARE BEING PUT UNDER THE CONTROL OF THE MINISTRY OF HEALTH WHICH COULD MEAN ADDITIONAL FUNDING FUNDS AND SUPPORT IF THE GOM IS TRULY COMMITTED TO THE PROGRAM.

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INFO OCT-01 EA-06 ISO-00 IGA-01 EB-04 OES-03 /074 W  
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TO SECSTATE WASHDC 8207

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D. GREATER RETURNS ELSEWHERE. AN ARGUMENT PUT FORTH FOR SUPPORTING PILOT POPULATION PLANNING PROJECTS IN MALAYSIA IS THAT THE KNOWLEDGE AND EXPERIENCE GAINED CAN BE TRANSFERRED TO OTHER DEVELOPING COUNTRIES. WE QUESTION THIS ARGUMENT. THE POLITICO-RACIAL AND LAND SURPLUS CONDITIONS HERE SEEM TO US TO BE PECULIAR TO MALAYSIA AND ATYPICAL FOR MOST DEVELOPING COUNTRIES. WE BELIEVE PILOT PROJECTS WOULD BE MORE REALISTIC AND EFFECTIVE IN THE COUNTRIES WHERE THE FULL-SCALE PROGRAMS

ARE TO BE IMPLEMENTED.

E. SELF-SUFFICIENCY. ANOTHER KEY CONSIDERATION IS THAT MALAYSIA CAN AFFORD TO FINANCE POPULATION PLANNING PROGRAMS FROM ITS OWN RESOURCES. THIS NATION OF OVER US DOLS 600 PER CAPITA INCOME CONTINUES TO PROSPER AND HAS FOREIGN EXCHANGE HOLDINGS IN EXCESS OF US DOLS 1.2 BILLION -- A POSITION MANY DEVELOPED AND OTHER LDC COUNTRIES CAN ENVY.

4. IN SUM, FOR THE REASONS STATED ABOVE, WE BELIEVE THAT USG SUPPORT OF POPULATION PLANNING PROGRAMS IN MALAYSIA SHOULD NOT BE EXPANDED AND PERHAPS USG FUNDS FOR CURRENT PROGRAMS SHOULD BE REDIRECTED TO OTHER COUNTRIES.

5. ACTION REQUESTED: WE REQUEST THAT STATE AND AID/W REVIEW USG FUNDING OF POPULATION PLANNING PROGRAMS IN MALAYSIA. WE WOULD APPRECIATE BEING ADVISED OF THE RESULTS OF SUCH REVIEW.  
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## Message Attributes

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**Draft Date:** 23 OCT 1974  
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**Disposition Approved on Date:**  
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**Disposition Date:** 28 MAY 2004  
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**TAGS:** SPOP, EAID, MY, US  
**To:** STATE  
**Type:** TE  
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